BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of) DOCKET NO. TO-051977
OLYMPIC PIPE LINE COMPANY,) ORDER NO. 01
Applicant,) ORDER DISMISSING
) APPLICATION FOR APPROVAL
for an Order Approving the Sale by) OF THE SALE BY ARCO MIDCON
ARCO Midcon LLC of a Portion of) LLC OF A PORTION OF ITS
its Shares in Olympic Pipe Line) SHARES IN OLYMPIC PIPE LINE
Company to Enbridge, Inc.) COMPANY TO ENBRIDGE, INC.
)

BACKGROUND

- On December 21, 2005, Olympic Pipe Line Company ("Olympic"), ARCO Midcon LLC ("ARCO") and Enbridge, Inc. ("Enbridge") filed an application requesting an order approving the transfer by ARCO to Enbridge of 16,250 common shares of Olympic, representing sixty-five percent of Olympic's common stock, pursuant to a Share Purchase Agreement dated November 22, 2005. The transaction will not close until all regulatory approvals are secured.
- In addition to personal contacts with shippers, safety and regulatory agencies, and other key stakeholders, Olympic mailed a written notice to fifty-eight key stakeholders. The notice advised parties that the Commission would consider this matter at the Commission's January 25, 2006, open meeting, and that parties could send comments to the Commission. Also, the Commission's Pipe Line Safety Section discussed the proposed stock transaction at the January 12, 2006, meeting of the Citizens Committee on Pipeline Safety. The Commission has received no comments.

FINDINGS AND CONCLUSIONS

- The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including gas and hazardous liquid pipeline companies. RCW 81.01.040; Chapter 81.04 RCW; Chapter 81.12 RCW; Chapter 81.28 and Chapter 81.88 RCW.
- 4 (2) Olympic is a petroleum pipeline company, a public service company, and a common carrier subject to the jurisdiction of the Commission.
- 5 (3) ARCO owns one hundred percent of Olympic's common stock. The stock sale to Enbridge will result in a change of control of Olympic.
- 6 (4) This matter was brought before the Commission at its regularly scheduled open meeting on January 25, 2006.
- 7 (5) The Commission has asserted jurisdiction over stock transfers that resulted in a change of control of a public service company under RCW 80.12. However, under RCW 81.12.010, federally regulated common carriers are exempt from application of the transfer of property statutes. ("The term 'public service company," as used in this chapter . . . shall not include common carriers subject to regulation by the Interstate Commerce Commission. . . .") Under RCW 81.88.030, pipeline companies are regulated as common carriers. As Applicants argue, "the authority exercised by the ICC at the time the exemption was adopted is substantively identical to the authority exercised by FERC today—i.e., there is no reason to infer that the legislative intent underlying the

- exemption depended upon which federal agency exercised that regulatory authority." Application at 33.
- 8 (6) After review of the application filed in Docket UW-051977 by Olympic on December 21, 2005, and giving due consideration, the Commission finds that it does not have jurisdiction over this matter and should dismiss Olympic's application for an Order Approving the Sale by ARCO Midcon LLC of a Portion of its Shares in Olympic Pipe Line Company to Enbridge, Inc.

ORDER

THE COMMISSION ORDERS:

- 9 (1) The Commission dismisses the Application filed by Olympic Pipe Line Company for an Order Approving the Sale by ARCO Midcon LLC of a Portion of its Shares in Olympic Pipe Line Company to Enbridge, Inc., for lack of jurisdiction.
- 10 (2) This Order shall in no way affect the authority of this Commission over rates, services, accounts, valuations, estimates, or determination of costs, or any matters whatsoever that may come before it, nor shall anything herein be construed as acquiescence in any estimate or determination of costs, or any valuation of property claimed or asserted.
- 11 (3) The Commission retains jurisdiction over Olympic Pipe Line Company.

DATED at Olympia, Washington, and effective this 25th day of January, 2006.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner